

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02

OMB-01 SAM-01 DRC-01 /196 W
----- 094725

P R 071842Z FEB 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 6423

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

OECD PARIS

C O N F I D E N T I A L SECTION 1 OF 2 EC BRUSSELS 0827

PASS STR

E.O. 11652: GDS

TAGS: ETRD, EC, US, GATT

SUBJ: GATT ARTICLE XXIV:6 NEGOTIATIONS -- TALK WITH SOAMES

REF: (A) EC BRUSSELS 747; (B) BONN 2032

1. SUMMARY. SOAMES EXPECTS TO HAVE A THOROUGH DIS-
CUSSION OF THE ARTICLE XXIV:6 NEGOTIATING PROBLEM IN
WASHINGTON NEXT WEEK. AMBASSADOR GREENWALD EXPRESSED
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OUR SERIOUS CONCERN ABOUT THE SITUATION AND, IN

PARTICULAR, ABOUT REPORTS OF THE UNHELPFUL POSITION TAKEN BY HIJZEN AT THE FEBRUARY 4 ARTICLE 113 COMMITTEE DINNER. WHILE EXPLAINING THE DIFFICULTIES CONFRONTING HIJZEN, SOAMES ACKNOWLEDGED THAT THE COMMISSION SHOULD NOT APPEAR TO BE RAISING ROADBLOCKS TO PROGRESS IN OVERCOMING THE PRESENT IMPASSE. SOAMES INTENDS TO MEET WITH THE ARTICLE 113 COMMITTEE HIMSELF, PROBABLY ON FEBRUARY 20. SOAMES AND HANNAY SAID THERE MAY BE DIFFICULTY IN THE EC COMMISSION'S MAKING A PROGRESS REPORT TO THE MARCH 4-5 EC COUNCIL DUE TO ALLEGED US EFFORTS TO KEEP THIRD COUNTRIES FROM GIVING A POSITIVE REACTION TO THE COMMUNITY'S OFFER. END SUMMARY.

2. ON FEBRUARY 7, AMBASSADOR GREENWALD REVIEWED WITH EC COMMISSION VICE PRESIDENT SOAMES THE CURRENT STATE OF PLAY ON THE ARTICLE XXIV:6 NEGOTIATIONS. SOAMES INDICATED THAT, APART FROM HIS ATTENDANCE AT THE FEBRUARY 11 ENERGY CONFERENCE, THIS IS ONE OF THE MAIN SUBJECTS HE WISHES TO TAKE UP IN WASHINGTON.

3. AMBASSADOR GREENWALD AGAIN EMPHASIZED TO SOAMES OUR CONCERN ABOUT THE SITUATION. HE SAID THAT WASHINGTON IS IN POSSESSION OF REPORTS THAT AT THE FEBRUARY 4 ARTICLE 113 COMMITTEE DINNER HIJZEN, AS THE COMMISSION'S REPRESENTATIVE, HAD GONE OUT OF HIS WAY TO BE NEGATIVE (REF A). HIJZEN HAD REPORTEDLY MADE A STATEMENT QUESTIONING WHETHER THE US REQUEST FOR ADDITIONAL CONCESSIONS IS A SERIOUS POLITICAL ISSUE AND WHETHER IT REQUIRES ANY EC MOVEMENT. THE AMBASSADOR SAID WE OF COURSE CANNOT BE CERTAIN OF THE ACCURACY OF THESE REPORTS BUT WOULD APPRECIATE CLARIFICATION.

4. SOAMES SAID THAT THIS INCIDENT HAD BEEN CALLED TO HIS ATTENTION ALREADY AND HE HAD DISCUSSED IT WITH HIJZEN. SOAMES WOULD HAVE ATTENDED THE DINNER HIMSELF BUT FOR THE EC COUNCIL MEETING. HE PLANNED TO MEET TOGETHER WITH THE ARTICLE 113 COMMITTEE MEMBERS SOON, PROBABLY ON FEBRUARY 20.

5. SOAMES ASKED THAT WE APPRECIATE SOME OF HIJZEN'S
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PROBLEMS AS THE COMMUNITY'S NEGOTIATOR. HIJZEN BELIEVES THAT IF THE MEMBER STATES, WHICH ALL AGREED THE EC OFFER SHOULD BE "FINAL", ARE BEGINNING TO WAFFLE IN BILATERAL TALKS WITH THE US, THEY SHOULD AT LEAST ADVISE THE COMMISSION. HIJZEN ALSO FEARS HE WILL BE LEFT HOLDING THE BAG IF VARIOUS MEMBER STATES TELL US THEY ARE PREPARED TO REOPEN THE EC OFFER, BUT THEN REFUSE TO GIVE ON ITEMS OF SPECIAL INTEREST TO THEM. (COMMENT:

ALTHOUGH SOAMES DID NOT MAKE THE POINT ABOUT
HIJZEN'S NEED TO PROTECT HIS FLANK WITH THE FRENCH
IN ORDER TO PREPARE THE WAY FOR THE BEHIND-THE-SCENES
MANEUVERING, WE HAVE NOTED THE GERMAN COMMENT TO
THIS EFFECT IN REFTEL B.)

6. SOAMES SAID IT IS ALSO IMPORTANT THAT THE COMMISSION
NOT BE IN THE POSITION OF MISLEADING EITHER THE MEMBER
STATES OR THE US GOVERNMENT ABOUT THE DIFFICULTIES
IN REOPENING THE COMMUNITY'S OFFER--MUUCH LESS IN
FINDING FURTHER CONCESSIONS THAT WOULD SATISFY ALL
PARTIES. AMBASSADOR GREENWALD INDICATED THAT WASHINGTON
HAS NO ILLUSIONS ABOUT THE DIFFICULTIES, BUT WE ARE
BOUND TO BE WORRIED IF THE COMMISSION CANNOT BE HELPFUL
OR AT LEAST NEUTRAL IN THE INTERNAL COMMUNITY DELIBERA-
TIONS. IF OUR REPORTS ARE ACCURATE, HIJZEN SEEMED TO
BE MAKING JUDGMENTS QUESTIONING THE US SERIOUSNESS OF
PURPOSE. SUCH JUDGMENTS WOULD BE WRONG AND DANGEROUS.
WE OF COURSE APPRECIATE THE COMMISSION'S DIFFICULTIES
IN NEGOTIATING SIMULTANEOUSLY WITH THE MEMBER STATES
AND WITH THIRD COUNTRIES.

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 6424

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION GENEVA
USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 2 OF 2 EC BRUSSELS 0827

7. SOAMES SAID THAT HE UNDERSTOOD AMBASSADOR GREENWALD'S COMMENTS; THAT, AS WE KNEW, HE DID NOT CONSIDER THE COMMUNITY'S OFFER A BAD ONE; BUT THAT THE COMMISSION HAD WANTED TO GO FURTHER. HE DID NOT KNOW THE PRECISE WORDS USED BY HIJZEN AT THE ARTICLE 113 COMMITTEE DINNER. BUT HE REGRETTED IT IF THE COMMISSION'S INTERVENTION WAS SUBJECT TO THE INTERPRETATION WE PUT ON IT.

8. HANNAY, SOAMES' CHEF DE CABINET, SAID THAT HIJZEN CONSIDERS GRAINS TO BE THE MOST SERIOUS PROBLEM PRE-CONFIDENTIAL

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VENTING CONCLUSION OF THE ARTICLE XXIV:6 NEGOTIATIONS. AP*RT FROM THE INTRINSIC DIFFICULTIES CONNECTED WITH GRAINS, AT LEAST THREE COUNTRIES ARE INVOLVED -- AUSTRALIA, CANADA AND THE US. HANNAY WONDERED WHETHER WE SHOULD BE SPENDING SO MUCH TIME ON OTHER ITEMS. AMBASSADOR GREENWALD REPLIED THAT WE DO ATTACHE MAJOR IMPORTANCE TO GRAINS BUT BELIEVE THAT OTHER ASPECTS OF THE EC OFFER MUST BE IMPROVED AS WELL.

9. AMBASSADOR GREENWALD DISCUSSED WITH SOAMES THE INCREASINGLY DIFFICULT TIMING SITUATION ON ARTICLE XXIV:6. THIS WOULD HAVE TO BE DISCUSSED IN WASHINGTON. HE ASKED FOR THE COMMISSION'S LATEST VIEWS ON THE TIMETABLE. HANNAY SAID THAT THE PLAN FOR A "PROGRESS REPORT" ON THIRD-COUNTRY REACTIONS TO THE COMMUNITY'S OFFER TO BE PRESENTED TO THE EC COUNCIL ON MARCH 4-5 IS BEGINNING TO LOOK DOUBTFUL. PART OF THE UNCERTAINTY ARISES FROM THE APPARENT US EFFORTS TO PERSUADE OTHER COUNTRIES NOT TO ACCEPT THE COMMUNITY'S OFFER. SOAMES AND HANNAY HINTED THAT THEY ARE NOT PERSONALLY RESENTFUL OF ANY EFFORTS WE MIGHT HAVE MADE WITH THIRD COUNTRIES. THE DIFFICULTY AS THEY DESCRIBED IT IS MORE SUBTLE. SOME OTHER COUNTRIES (THEY SPECIFICALLY MENTIONED JAPAN) ARE RELUCTANT TO SAY "NO" TO THE COMMUNITY WHILE WE DO NOT WANT THEM TO SAY "YES". THE RESULT OF THIS SITUATION IS THAT OTHER COUNTRIES ARE EITHER SAYING NOTHING OR AVOIDING CLEARCUT RESPONSES. THIS MAKES IT DIF-

FICULT FOR THE COMMISSION TO GATHER CLEAR REACTIONS FOR
REPORTING TO THE COUNCIL.

10. AT SOAMES' REQUEST, THE AMBASSADOR ALSO BRIEFED
HIM ABOUT RECENT US-ITALIAN DISCUSSIONS ON CITRUS,
PARTICULARLY THE AMBASSADOR'S LOCAL TALKS WITH ITALIAN
PERMANENT REPRESENTATIVE BOMBASSEI (EC BRUSSELS 581).
SOAMES SAID THAT BOMBASSEI HAS NOT YET RAISED THE
MATTER WITH HIM.MYERSON

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